



# Budgeting

Discovering ways to save for retirement

## County of San Bernardino

401(k) and 457(b) Plans



PLAN | INVEST | PROTECT

**VOYA**  
FINANCIAL

# Important information

The County of San Bernardino 457(b) and 401(k) Plans use a group annuity as a funding vehicle for the plans. Group annuities are long-term investments designed for retirement purposes. Money taken from the annuity will be taxed as ordinary income in the year the money is distributed. Account values fluctuate with market conditions, and when surrendered the principal may be worth more or less than its original amount invested. An annuity does not provide any additional tax deferral benefit, as tax deferral is provided by the plans. Annuities may be subject to additional fees and expenses to which other tax-qualified funding vehicles may not be subject. However, an annuity does provide other features and benefits, such as lifetime income payments and death benefits, which may be valuable to you.

3030646.G.P-2 CN0426-24072-0518

# Important information

***You should consider the investment objectives, risks, and charges and expenses of the variable product and its underlying fund options; or mutual funds offered through a retirement plan, carefully before investing. The prospectuses/prospectus summaries/information booklets contain this and other information, which can be obtained by contacting your local representative. Please read the information carefully before investing.***

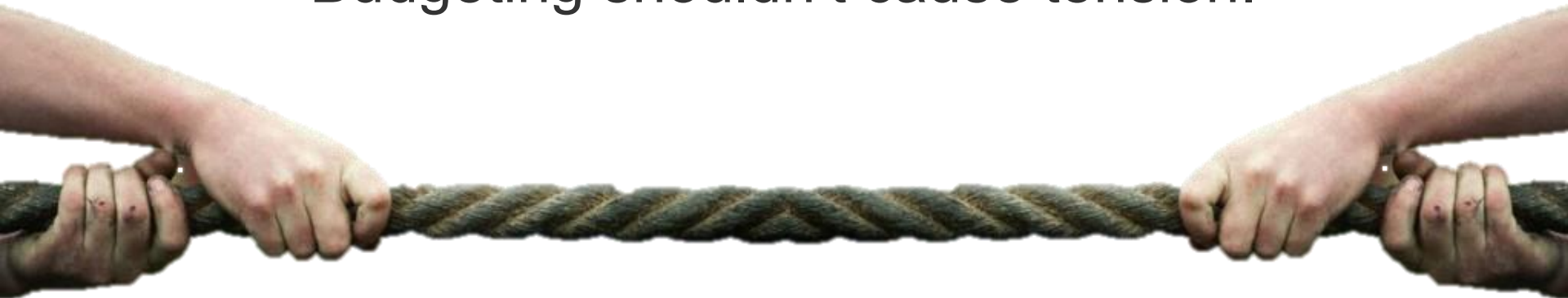
# Important information

This presentation/seminar contains information regarding insurance products for sale.

Registered representative and retirement educational seminars are provided by Voya Financial Advisors. These educational seminars are provided to you as a supplemental service to your plan sponsor as part of the Plan Administrative services provided by Voya Retirement Insurance and Annuity Company. The information contained herein should not be constituted as (i) an offer to sell or solicitation of an offer to buy a security or (ii) a recommendation as to the advisability of investing in, purchasing or selling any security. You should contact your investment representative (or advisor), attorney, accountant or tax advisor, with regard to your individual situation prior to implementing a retirement plan strategy.

# How do you feel about budgeting?

Budgeting shouldn't cause tension.



It can be as easy as

# 1-2-3!

# Why budget?

Big dreams take planning and **savings**



**NEW HOME**  
**\$261,671**

Average new home sales 2013<sup>1</sup>



**New Car**  
**\$30,000**

average price 2013<sup>3</sup>



*Retirement*  
**\$687,674**

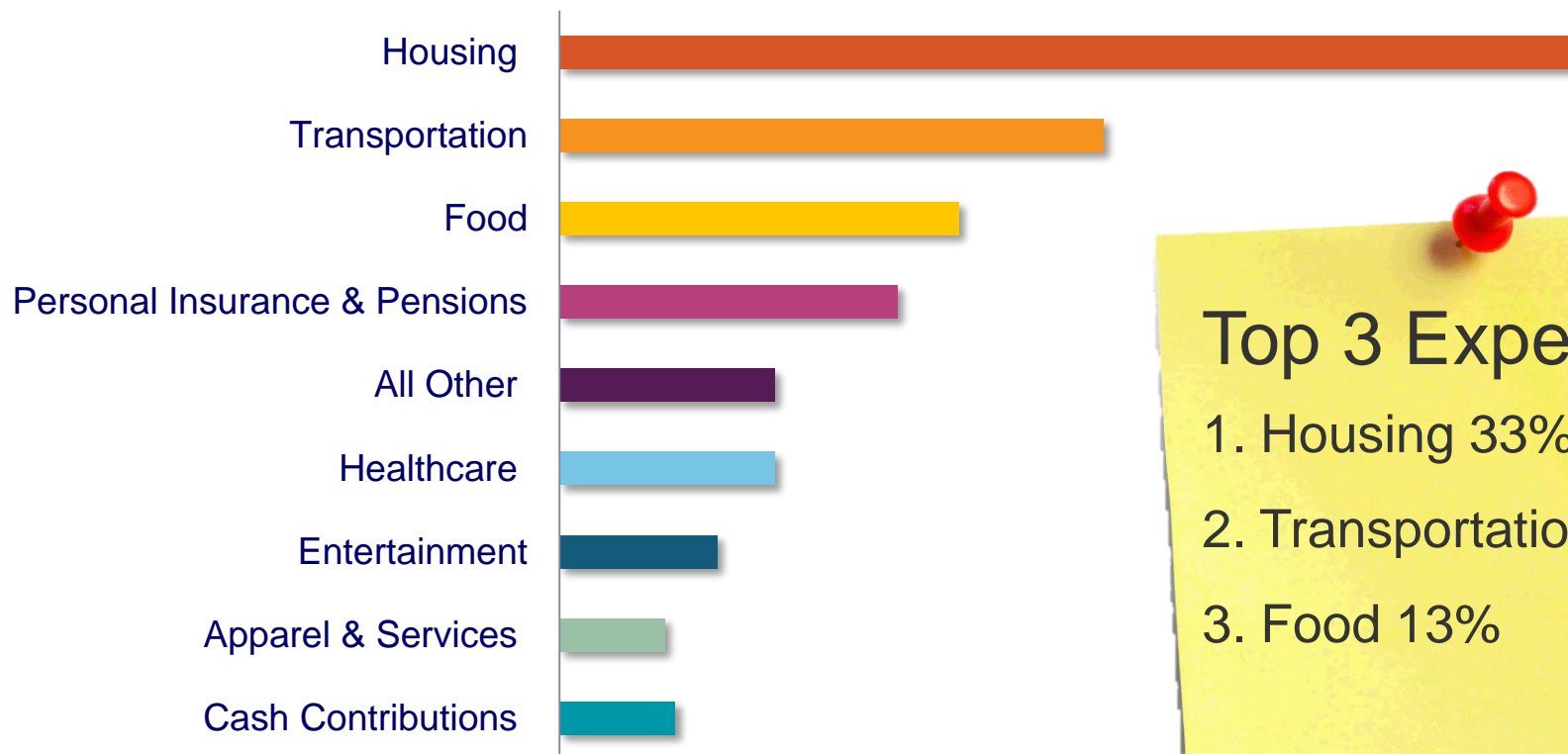
projected cost for 20 years<sup>3</sup>

What is **your dream**? Are you **saving** for it?

1. <http://www.census.gov/construction/nrs/pdf/uspricemon.pdf> Average prices of new homes sold in the United States January through July 2013
2. True Car Inc. The average transaction price for light vehicles in the United States was \$31,087 in March 2013
3. Assumes 80% of the \$42,979.61 national income average of 2011 as reported by [www.socialsecurity.gov](http://www.socialsecurity.gov)

# Where does the money go?

The average American spends their money on...



Source: Bureau of Labor Statistics, Consumer Expenditures 2012. [Released September 2013]

## Top 3 Expenses

1. Housing 33%
2. Transportation 17%
3. Food 13%



## Budgeting 1-2-3

# Step 1.

Create a list of monthly income

**TIP:** Include ALL sources of income no matter how small

| Income Item   | Amount |
|---------------|--------|
| Salary        |        |
| Interest      |        |
| Commissions   |        |
| Second Job    |        |
| Child Support |        |
| Other         |        |



# Step 2.

Create a list of monthly expenses

**TIP:** For variable costs, past bills can help to estimate how much to plan for

| Expense Item     | Amount |
|------------------|--------|
| Mortgage/rent    |        |
| Cable / Internet |        |
| Electricity      |        |
| Water            |        |
| Car Payment      |        |
| Car Insurance    |        |
| Groceries        |        |
| Cell Phone       |        |
| Credit Card1     |        |
| Credit Card 2    |        |

# Extra expenses?

**Be realistic** when planning for monthly expenses

**Include planned extras:**

Birthdays

Holidays

Trips

**Include big ticket items you are saving for:**

Car

Home

Education



# Emergency fund

**What is it?** Emergency money **ONLY**

**What does it cover?** Accidents, home or auto repair, loss of job, unexpected health issue, etc.

**How much do I need?** 3 to 6 months' living expenses

**How do I save?** Add to your budget



# Step 3.

Subtract monthly expenses from monthly income

**TIP:** Regardless whether your savings is low or high, you can look for ways to save more

### Savings Calculation





Monthly  
Income

— Monthly  
Expenses

= **savings**

# Can you save more?

## Explore ways to **cut expenses**

| Energy<br> | Transportation<br> | Household<br> | Shopping<br> | Entertainment<br> |
|---|---|---|---|--|
| Hang clothes out to dry   | Wash your car at home   | Use only pre-paid cell phones   | Always use coupons  | Library rentals (books & DVDs)   |
| Caulk windows & doors   | Work from home more often   | Refinance mortgage /eliminate PMI   | Buy in bulk   | Stay in and have a game night  |
| Install programmable thermostats  | Use cruise control for better gas mileage   | Cut down on plan extras (caller ID, movie channels)   | Remove yourself from email lists to reduce temptation   | Join social buying websites for deals (Groupon, Living Social)                                       |
| Use fluorescent lighting  | Download app to find cheapest gas   | Bottle your own water & make your own coffee  | Shop when you're in a hurry – you're likely to buy less   | Search for free events / check public library for discounted admissions                              |
| Use only Energy Star appliances   | Carpool   | Use credit card rewards to credit your account  | Buy generic   | Cut subscriptions to magazines or movie clubs  |

# Can you time your spending more wisely?

There are actually better times to buy certain things!

|           |   |
|-----------|---|
| January   | Bicycles, paint, suits, carpeting, linens and bedding, trip to NYC, furniture, pools and hot tubs                   |
| February  | Broadway tickets, cameras, prom dresses, motorcycles, winter coat, video games,                                     |
| March     | Perfume, chocolate, jewelry, new furnace, frozen foods, luggage   |
| April     | Laptops, vacuum cleaners, tropical vacation, new roof, flea market items, skis                                      |
| May       | Mattresses, refrigerators, trip to Alaska, office furniture   |
| June      | Dishes, home décor, cell phones, barbecue supplies, tools, deodorant, textbooks, gym membership                     |
| July      | Kayaks, bottled water, furniture, ranges and stoves, grills, fresh fruit  |
| August    | Stocks, swing sets, flip flops, backpacks, Ipods and mp3 players, plants and flowers                                |
| September | Car lease, snow blowers, visit to Virginia Beach, swimsuits, wine, sunglasses, patio furniture                      |
| October   | Trip to Hawaii or Beijing, bushes, trees and bulbs, jeans, camping gear   |
| November  | Sneakers, toys, cookware, wedding dresses, horses, electronics  |
| December  | Televisions, apartment lease, boat, NFL tickets, champagne, golf clubs, air conditioners, premium tickets to Europe |

Source: [www.businessinsider.com](http://www.businessinsider.com) "The best time of year to buy everything." 2013

# Considering a loan?

Think before you borrow. Consider all the **implications** before you sign.

## Tips for Borrowing

Some debt is good

Some debt is bad

Get a handle on your spending

Watch where you borrow

## Types of Loans

Interest-only  
mortgage

Will you be able to afford the  
balloon payment?

Home equity  
loan/line of credit

Is it worth putting your house at  
risk?

Retirement plan loan

What is the real cost? Will it  
jeopardize my retirement?

Life insurance loan

What will be left for my family?



# Are you handling your debt optimally?

Learn how to **control** your **personal debt** and accomplish your financial goals, by making your personal debt work for you.

## Control

Pay off highest-rate debts first

Don't fall into the minimum trap

Don't be so quick to pay down your mortgage

Source: Money.cnn.com, Money101-Lesson 9

## Reduce

Negotiate with creditor

Consolidate

Transfer balances

Credit Counseling

Source: About.com 5 Ways to Lower Your Debt Payments. August 2012

If your debt is out of control, consider **professional assistance** from a **reputable**, non-profit service that has your best interests at heart.

# What can you do with your new found savings?



- ✓ **Enroll** in your employer sponsored retirement savings plan
- ✓ **Increase** your savings plan contributions

# Thank you for participating

**Call us** to talk about your  
personal retirement planning:

**Local: (909) 748-6468 or**

**Toll free: (800) 452-5842**

# Budgeting

Discovering ways to save for retirement



PLAN | INVEST | PROTECT

